



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

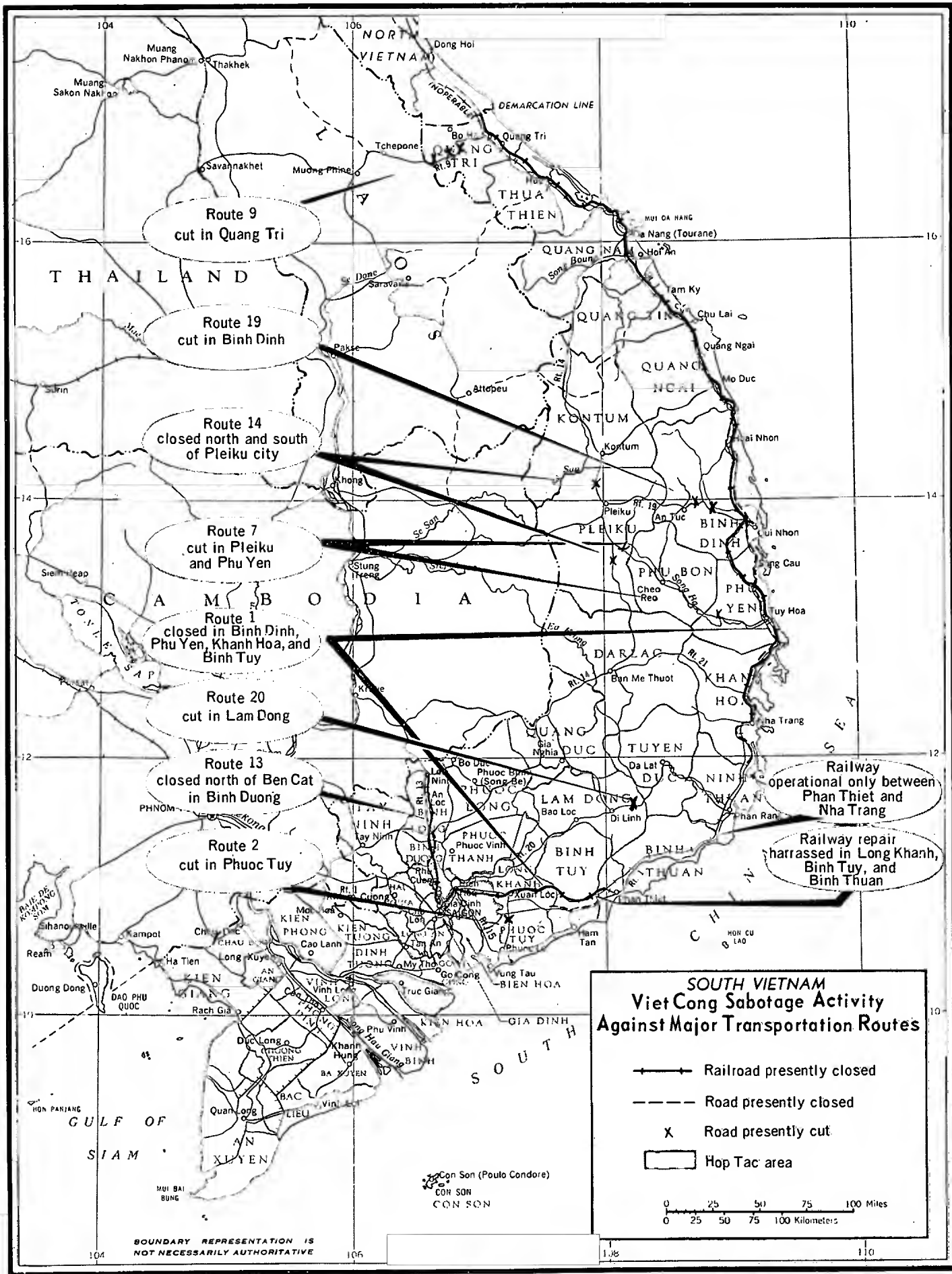


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23 JUNE 1965

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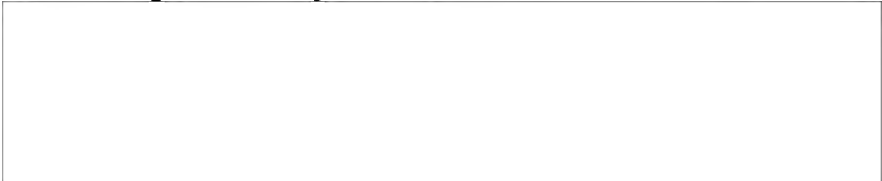
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DAILY BRIEF
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1. South Vietnam

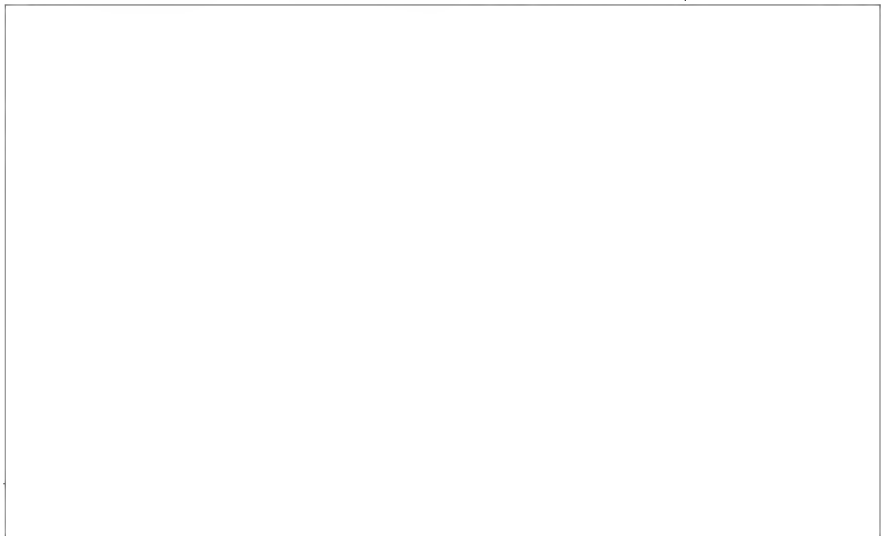
Throughout the cyclical ups and downs in Viet Cong military activity, they have carried out a persistent campaign to disrupt road and rail communications. Over and above military and strategic implications this is serving increasingly to separate the populace from an effective central government presence and to disrupt the country's economic lifelines. Our map shows the principal routes and areas presently affected. 50X1



2. Vietnam

Moscow has now turned down the Commonwealth mission proposed by Prime Minister Wilson. There is so far no word from London on British intentions following this rebuff.

According to a Soviet news statement on this, the USSR was "not authorized by anybody to conduct talks on a settlement in Vietnam." 50X1



3. Indonesia

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4. Algeria

The new Boumedienne regime, which is still organizing itself, remains in the saddle although its seat may be becoming somewhat uneasy. So far, the general populace has remained on the sidelines, but the US Embassy is now reporting "signs of effervescence" in the poorer quarters of Algiers.

French officials are taking the line that the coup regime will be an "impermanent" one. Franco-Algerian oil negotiations, however, have been resumed.

Chou En-lai is pushing for progress on the schedule for the Afro-Asian Conference, but there is considerable disarray. A number of chiefs of state have backed out, while others are eyeing warily both the situation in Algiers and the line set by the larger nations.

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5. USSR

Vessels of the Northern Fleet

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have come out into the Norwegian Sea for the first major Soviet naval exercise of the year. If the exercise follows previous patterns, it will highlight a defense of the homeland against an attacking enemy naval task force.

In the Pacific, Soviet naval medium jet bombers are keeping watch on the US aircraft carrier Bennington, en route north to Hokkaido through the Sea of Japan. At least 20 bombers appeared to be training yesterday for practice strikes against the Bennington.

This has become a fairly standard reaction to operations of US carrier task forces, apparently always of major concern to the Soviets.

6. Dominican Republic

The rebels accepted the proposals of the Organization of American States today, but with reservations that are probably unacceptable to the loyalists.

The rebels' counterproposals included a demand that military members of their ranks be reinstated in their old jobs in the Dominican armed forces. They also want to turn in their arms to the future provisional government, not to the Inter-American force.

The loyalist response to the OAS proposals is expected later today. Imbert, under pressure from his military chiefs, may take a hard line.

7. Colombia

President Valencia is still putting off needed economic reforms, and public confidence in his regime continues to decline.

Last Sunday, Finance Minister Duran Dussan resigned after Valencia shelved widely recommended proposals for currency devaluation. The resignation has led government bank and monetary board officials to consider taking the same action, which would cost the government some of its best economic talent.

There is also a report that labor is planning a protest strike. This could lead to a repetition of last month's violence.

A further commentary is at Annex.

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8. Guatemala

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ANNEX

Colombia

Finance Minister Duran's resignation was precipitated by President Valencia's refusal to act on a proposed tax on foreign exchange which amounted to currency devaluation.

Most officials from international advisory agencies have advocated some form of currency devaluation in Colombia. They consider this imperative to stop the serious drain on foreign exchange. Devaluation would be generally unpopular with the Colombia people, however, and Valencia fears the political repercussions.

Nevertheless, the failure to devalue is also losing Valencia popular support. His hesitation is being taken as just another example of his government's incapacity for action in dealing with critical economic problems. The Congress has also dawdled with such issues, and spends most of its time squabbling over domestic politics.

The result is a swelling of discontent among businessmen, labor leaders, and the general public.

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